

Whatcom County is my family's home and that really says it all. I live and raise my family here and I invest here also. I am very concerned about the massive quantities of coal that this project will bring to Whatcom County and across the entire West. I am concerned it will be a transformational event for the region and will affect my life and family and Whatcom County in a most serious way due to the quantity of coal involved and the pollution and train interruptions. I have tried to educate myself to the facts, not the emotional issues, but rather the facts and I do have various areas in which my concern is paramount because the effects are both significant and probable, as they are being planned. I bring no particular expertise to this paper except of basic common sense, patience and real concern.

**The Quote below comes from the Project Information Document that accompanies the request for the permit for the Gateway Pacific Terminal (GPT.)**

**“The Terminal would be developed to have the capacity to export and import up to 54 million metric tons per annum (mtpa) of dry bulk commodities.<sup>1</sup>”**

**“Commodities handled would be driven by customer and market needs and by the specific terms of contracts negotiated with customers.”<sup>2</sup>**

In other words, if market forces drive the shipping commodities, coal will be the only commodity shipped from the port due to the intense demand from China, India and the rest of Asia. So what is the real scenario that is laid out in the GPT planning document?

Set up the wharf for many commodities that will allow for the doubling of equipment and wharf extension for various other commodities besides the coal. It will be much easier to get the permit. Then, when coal is the only commodity available for shipping (due to market forces) GPT will switch all the previous equipment, dedicated initially to other commodities, and increase your ability to ship more coal. Even the wharf was made larger to accommodate the different commodities. So the scheme is let's overbuild now it now to avoid future regulation,

---

<sup>1</sup> Pacific International Terminals, Project Information Document, Gateway Pacific Terminal, Whatcom County, WA (Feb. 28, 2011). P1-9.

Online at

<http://gatewaypacificterminal.com/wp-content/uploads/2011/09/GPT%20PID%20DOCUMENT.pdf>

<sup>2</sup> Pacific International Terminals, p4-5.

which will get more onerous. Finally in the end, GPT will merely increase the speed of the machines as the main overbuilt infrastructure, originally meant for other commodities, is already there. Then it will be much easier to merely increase the trains and the coal patio, and gradually increase the permit again and again and again with little perview because the large footprint is already there.

There seems to be various indications that this is the planned direction when one looks at the official Planning Document. One such flag is when one reads closely the intent language of the planning document. For example, The East Loop in the planning document is the dedicated coal area, and the West loop is for other commodities that might be likely or anticipated. The phrase below describes the intentions of GPT.

***“The West Loop is initially planned to handle export of calcined petroleum coke and potash.”<sup>3</sup>***

Note that plans for the West Loop are “initially planned” meaning “at first it was planned” or “in the beginning it was planned.” Actually the West loop is not even expected to be completed until 2017 or longer, so it would not be very strange to hear, when 2017 arrived and the permit was in hand, that unfortunately and no commodity market exists at this time, except for coal, but we do have more demand for that coal and we need to expand our permit. They initially planned for potash, but that was then and this is now. So now everything changes, because a third, reclaimers, conveyor, shiploader and wharf space is available to ship the badly needed coal. The original expectations for this loop of potash and coke was only 6 mtpa (million tons per annum,) but now this line can deliver at least 1/3 more coal which is at least another 24 mtpa and possibly even more if the machines were used more often as more ships arrived. All this, without having to change the original footprint at all. but the end result is a mega-port with a mega-wharf capable of competing with the largest coal ports in the world. 54mtpa starts to look kinda small with all this capability.

I fear that is the real plan here and the planned port capabilities reflect that plan, if you look at the specifications of the proposed Port. The Coal Port seems to be designed, in many aspects, for a much larger throughput than the 48/54 mtpa (million tons per annum) that the application states. Looking at other coal ports and comparing their specifications of coal throughputs, wharf lengths, berths, shiploaders, stackers, reclaimers and rail systems, the GPT

---

<sup>3</sup> Pacific International Terminals, p4-8.

design requirements seem especially large and numerous for the 54 mtpa<sup>4</sup> that the port claims will be the maximum throughput by 2026.

The plans for different shipping commodities are merely “anticipated” in the submitted plan. They only call for some “likely” shipping of only 6 mtpa of potash and coke and 48 mtpa of coal, which it seems would leave those potash areas free for coal processing or overflow and in the end becoming a coal port in its entirety. If it was merely for coke and potash the reclaimer, shiploader, conveyor belt system and wharf area would be left unused most of the time. Yet, the coal port will operate 24 hours a day and 365 days a year<sup>5</sup> with all that unused equipment for other commodities just sitting idle. Not likely. That is not very practical or logical is it? Yet, it is logical, if you intend to eventually export all coal and the length of the wharf and associated accoutrements were switched from potash to coal, that you planned for in future expansions. This way, GPT would not have to get a larger wharf permitted and that is critical because the wharf is the weakest link in the whole exporting plan. BNSF would have to deal with the trains and they have clear legal precedent to ship as much as they want, so the wharf must be as large as GPT can successfully enlarge without alarming the community. That is the plan, I fear and it is a very large wharf accommodating the largest of the VLBC of the Capesize vessels and that is gives GPT the capability and thus desire of shipping massive amounts of coal far larger than 54 mtpa.

As yet, there is no mention of interest by the market for these other commodities, except for coal transport. Never the less, the plans say that the market will determine the commodities and the push for coal is unrelenting. If coal was substituted for the planned potash and coke commodities the port would likely turn into a more than massive facility with only one export—coal. With the all the planned equipment in place switched from potash to coal, the only limiter would be the ability of the trains to deliver the coal. Thus, it does seem more likely that this will end up a coal port in total. With that real possibility in mind, I would like to focus on the total capability of the port to export commodities regardless of “kind” of commodity, but rather “quantity” of coal the port as designed could ship. Unlike GPT, I would like the wharf to stay as small as possible to protect the herring.

### **Protecting the Environment Means Honest Design of Port to Real Specifications.**

---

<sup>4</sup> Pacific International Terminals, Project Information Document, Gateway Pacific Terminal, Whatcom County, WA (Feb. 28, 2011). P1-9.

Online at

<http://gatewaypacificterminal.com/wp-content/uploads/2011/09/GPT%20PID%20DOCUMENT.pdf>

<sup>5</sup> Pacific International Terminals, p-4-50

To protect the environment, it is paramount that real, and not imagined or hopefully “anticipated” commodity plans be the basis of a design and permit for this port. Capabilities of the port should match real world conditions. Real world market forces that are pushing shipped coal and the shipping capability should be directly related to the port design in order to preserve the environmental impacts, especially for the delicate herring situation.

**It is imperative to analyze capabilities of the port design as to what is industrially needed and appropriate for a 48/54mtpa coal operation and that this design reflects those requirements.**

One does not design a runway for a Piper Cub plane with specifications and accommodation for a Boeing Dreamliner 787. (Not that 48/54mtpa is small amount by any means.) The design should match the intended use.

What is the industrial capability of the port to ship a commodity in its present design? Unfortunately, out of 34 tables listed in the GPT planning document there is no clear listing of the port’s specifications. One must parse through 304 pages looking for equipment and output capabilities, which is considered basic information in the coal shipping world. Fortunately the ports I used for comparison listed their entire specifications clearly on their online web pages in one listing. Certainly two professional and top tier companies such as SSA Marine and its partner Goldman Sachs would of course understand the importance of clear specifications listing in an official planning document for a \$665<sup>6</sup> million dollar project. The lack of a clear posting of such basic information in a financial document would certainly be a red flag for Goldman Sachs when they financially analyze a company for investment. So it does for me, make wonder as to why the deliberate hiding of specifications, so easily found at other ports on their webpages was so necessary. I frankly do not think it was an overlooked mistake.

### **Why is Overdesign is an Important Issue?**

Overdesign of the port basic infrastructure, that is not required, brings needless ecological damage to the site and pressure to ship more than its permit allows, or even perhaps a shipping of more coal than is intended in the plans. It allows for a much bigger wharf and that challenges the herring with unnecessary risk. For example, the wharf would not need to be so large and it would not be wise to overbuild it at this time. Science is continually improving knowledge on our biological entities. Materials science is exploding with different possibilities for wharf construction. Computer technology changes so quickly that it is out of date in two years. Now is

---

<sup>6</sup> Pacific International Terminals, Project Information Document, p1-6

not the time to build a mammoth wharf if there is no need, with what will be old technology in a few years.

Yet, most of all, and most disturbing to me is the proposing of an unrealistic port plan that does not truly reflect the needs of the port. It brings a lack of honesty to the table and that trait as a business value could lead to unforeseen negative influences on the environment as well as the community in general. **Trust is a major factor when handling over environmental and community responsibility and honesty and plain dealings are part of that trust.**

### **Request a study.**

**I request, with this EIS comment, that those responsible conduct a thorough study of complete design of the GPT and that the planned export of 48/54 mtpa match the parameters of the port design in its entirety and in detail. Also that market expectations of the different commodities expected to be shipped at GPT be researched and found to be a reasonable commodity in the quantities expected. Also a guarantee, that coal will not be shipped in the West loop including conveyor belt and shiploader and wharf areas, as it is reserved for other commodities such as potash and coke but not coal. I also ask to look at the whole of these statewide port requests as one unit, to look at rail and ports as a whole, as I see grave implications of massive coal amounts shipped through these ports that will strangle every community along the rails.**

### **History Exists of Disguising Real Coal Export Plans From Officials and the Public.**

There is already a history of a recent (and to put it bluntly outright lying) in an application for another proposed coal shipping port in the Northwest, on the Columbia River, by Bulk Millennium Terminals. Bulk Millennium also wants to ship coal from the Powder River Country to China. They misled (politely stated) officials concerning their long term goals about the shipping capability of the facility. Company officials put in an application for shipping 5mtpa but were actually planning, through a court record discovery process, of shipping 50 to 60 mtpa. That is an increase of 1200%! You see the coal industry only really is interested in massive quantities since there is so much demand and coal to ship. Once the initial permit was issued, they planned to gradually increase the shipping capability through additional applications as early as 6 months after the first permit was issued.<sup>7</sup> The concept of getting ones foot in the

---

<sup>7</sup> William Yardley, "In Northwest, a Clash Over a Coal Operation," New York Times, Feb, 14, 2011.  
[http://www.nytimes.com/2011/02/15/us/15coal.html?\\_r=2&\\_j](http://www.nytimes.com/2011/02/15/us/15coal.html?_r=2&_j)

door is often used to disguise plans especially when there is intense community resistance to an issue. Clearly there is intense pressure to ship coal to China and thus perhaps to present a pleasing face for a plan that may well change after permitting, under the guise of changed market conditions.

### **Questionable “Anticipated” Commodities not Shipped Until 2017 or Longer,**

Although Peabody Energy has already publicly declared that they plan to use GPT to ship Powder River Coal to China, no other company has come forward with intention of shipping potash or local calcined coke as stated in the “anticipated” or any other commodity in the “but not for sure” plans. In fact GPT states that it only “anticipated” that the Terminal would “likely” manage three commodities in the first ten years, Canadian potash, along with low-sulfur low ash coal, and local calcined coke.<sup>8</sup> GPT will not even build facilities for potash or coke (The West Loop) until quite far in the future sometime in 2017, and with the length of the EIS process it could extend well beyond that.<sup>9</sup>

### **Potash is an unrealistic shipping commodity for GPT.**

Although GPT claims to “anticipate” the shipping of Canadian potash it seems quite unlikely. Looking at the Canadian potash market, the Canadian companies involved in the prime market, and the port they presently use to ship potash through because they own it, it seems unlikely they would spend extra rail costs to ship potash south through GPT, with the added costs of a port they do not own on the bill. Potash is mined from underground deposits left behind by ancient evaporated seas. The world's largest deposits are in Saskatchewan and the Canadian company Canpotex is the world’s largest exporter of potash. It is an international marketing and distribution company wholly owned by the Saskatchewan potash producers... It also expanded its shipping terminals and made plans for a \$500-million facility at Prince Rupert, B.C.

Today, Canpotex's system can handle 14 million tonnes of potash, far more than it actually exports, which allows the company to ensure that deliveries are never held up. Canpotex is also a part owner in Neptune Terminals in Vancouver, Canada.<sup>10</sup> That new potash terminal at Prince Rupert mentioned above received regulatory approval just Dec.5, 2012.<sup>11</sup>

---

<sup>8</sup> Pacific International Terminals, Project Information Document, p4-51.

<sup>9</sup> Pacific International Terminals, Project Information Document, p4-49.

<sup>10</sup> Canpotex website online at [http://canpqlx.sasktelwebhosting.com/delivery\\_terminal\\_operations.htm](http://canpqlx.sasktelwebhosting.com/delivery_terminal_operations.htm)

According to the Canadian financial newspaper The Globe and Mail, “Canpotex is arguably one of most important global companies Canada has, a business that ... holds something close to a monopoly on potash sales.”<sup>12</sup> They are part owner of Neptune Terminals and Portland Bulk Terminals. But even at that, potash quantities pale in comparison to coal and Canpotex only exported 9 mtpa in 2008.<sup>13</sup> Note that GPT plans to ship 6 mtpa of potash and coke. This number just is not realistic unless the 6 mtpa is mostly coke, but what is the likelihood of that?

### **The Export Market for Calcined Coke in Large Quantities at GPT Seems Unlikely.**

As for shipping local calcined coke, the closest port to our area is Westshore Terminals in Robert’s Bank, British Columbia just over the border. During 2011, 58% of Westshore’s volume was metallurgical coal (66% in 2010), 41% was thermal coal (33% in 2010) and 1% was petroleum coke.<sup>14</sup> Since they shipped 27.3 million tons of coal they also shipped, at 1% of volume for the year, only 273,000 tons of petroleum coke. (This could be the same as calcined coke in the GPT Planning Document, as calcined coke is a form of petroleum coke.) So, we seem to be quite far away from the plan of shipping 6 mtpa of potash or coke.

### **Wheat and Other Food Commodities Exports Seem Unlikely Also**

Floyd McKay, a reporter for a Seattle online publication called CrossCut, researched the possibility of wheat export through GPT and reported in an article that it wheat export at GPT was unlikely. In an article he wrote that, “...Northwest growers appear to have adequate capacity to export from existing ports without the addition of a new terminal at Cherry Point.”

---

<sup>11</sup> Richard Gilbert, “Prince Rupert Potash Terminal gets Regulatory Approval” Journal of Commerce Dec 5, 2012  
<http://www.joconl.com/article/id53077>

<sup>12</sup> <http://www.theglobeandmail.com/globe-investor/canpotex-and-potash-the-monopoly-behind-the-mineral/article1241076/?page=all>

<sup>13</sup> Website: Industry Canada visited on Jan 19, 2013  
<http://www.ic.gc.ca/app/ccc/srch/nvgt.do?sbPrtl=&prtl=1&estblmntNo=123456011881&profile=cmpltPrfl&profileId=501&app=sold&lang=eng>

<sup>14</sup> Westshore Terminals Investment Corporation Annual Report, 2011, p2.  
<http://www.westshore.com/pdf/finance/2011/ar.pdf>

There was some interest perhaps from the Midwest in the long term.<sup>15</sup> Not much interest there in needing export facilities.

### **The regional Coal Market However is Strong and Will Continue**

To look at the regional coal market look no further than Westshore Terminals, our neighbor to the north. Westshore is the closest coal port to GPT just a few miles north at Roberts Bank. Here is a quote from the Chairman's report.

**“We have continued to see unprecedented demand from shippers (primarily from the U.S.) of thermal coal into international markets, while the metallurgical coal producers are poised to increase their sales substantially. We do not know how long the robust thermal coal market will last, but our customers are planning for the long term. The fundamentals of the metallurgical coal market continue to appear strong. During 2011, we signed a number of long term agreements with our customers, reflecting the ongoing strong anticipated export demand.”**

**Result: It seems like the only market forces for GPT are for Powder River Country Coal.**

### **The Wharf Length is extremely long for the facility Output**

**The wharf length is extremely long compared to other coal ports that throughput 48mtpa of coal and even larger amounts. The listing below, from the GPT Planning Document, is the only clear listing of the specifications for the wharf and it lists only one specification, the length of the wharf. To find the other basic specifications you must parse through the entire 304 page document. Yet, the document lists 34 other tables in the glossary.**

The proposed design for the Pacific Gateway Terminal (GPT) wharf displays a 3000 foot long wharf with three ship berths and three ship loaders at full build out. The quote below is from

---

<sup>15</sup> Floyd McKay, “Will Agriculture Ease Concerns about Coal Port Near Bellingham, CrossCut, May 23, 2001

the Project Information Document by Pacific International Terminals.<sup>16</sup> (This document is the official GPT planning document filed with Whatcom County in regards to the permit request.)

#### **“4.3.4.2 Wharf**

The wharf would be located at the trestle head and generally parallel to the shoreline; it would be designed to berth up to three vessels (Figure 4-9). The wharf would have one berth southeast of the trestle head and two berths to the northwest of the trestle head.

The wharf would have three berths, each of different lengths (Figure 4-8):

- Berth 1—1,137 feet long
- Berth 2—1,227 feet long, and
- Berth 3—636 feet long”

Berth 1 is the northwestern-most berth.

The wharf would support up to three shiploaders, belt conveyors in an enclosed elevated gallery leading to each of the shiploaders, berthing fenders, and a vessel-mooring system.

Footnote as to the size of Capesize vessels accessing the wharf p. 1-6

The majority of the present Capesize fleet has capacities between 160,000 and 180,000 dwt (US Maritime Administration 2009c)”

In addition, the proposal states that the wharf would accommodate Capeships up to 250,000 metric tons deadweight (dwt)<sup>17</sup>. Capeships of this size are especially large Capeships and because of their massive size are also called VLBC (very large bulk carriers.) The graphic in the GPT proposal (Figure 4-10, Example Shiploader) depicts a 230,000 dwt. ship loaded with the same shiploader that changes angles in order to also load a 50,000 dwt. ship.<sup>18</sup> The GPT quote above states that most Capesize vessels are quite smaller between 160,000 dwt to 180,000 dwt. Yet some ships, maybe many ships, that will visit GPT are actually 38% larger than most Capeships. However, these 250,000 dwt. ships are not much longer but rather these VLBC ships are usually wider or deeper to accommodate the increased weight. Thus although the wharf accommodates 3 ships it can also accommodate even the larger ships because of the deep water at the wharf. Larger ships represent an increased shipping ability than many ports of equally sized berths in length, as these ports cannot accommodate the deep waters large Capeships such as VLBC require.

### **Lamberts Point Coal Facility Exports the Same 48 mtpa with Much Less Port.**

**The Lamberts Point Coal Facility (Norfolk, VA) throughputs 48 mtpa of coal, yet it has a much smaller wharf that is only 1850 feet long and only two smaller Capeship berths.**<sup>19</sup>

The Lamberts Point Coal Facility is presently the largest and fastest coal exporting facility in the Northern Hemisphere, and the Gateway Pacific Terminal could equal or expand that feat if it is

<sup>16</sup> Pacific International Terminals, Project Information Document, p4-22.

<sup>17</sup> Pacific International Terminals, Project Information Document, p4-31.

<sup>18</sup> Pacific International Terminals, Project Information Document, Figure 4-10 Example Shiploader, p4-29,

<sup>19</sup> Lamberts Point Coal Facility, Norfolk, VA online website visited on Jan 16, 2013

[http://www.nscorp.com/nscportal/nscorp/Customers/Coal/Transload/lamberts\\_point.html](http://www.nscorp.com/nscportal/nscorp/Customers/Coal/Transload/lamberts_point.html)

built. Wikipedia describes the facility in the footnote.<sup>20</sup> However, Lamberts Point accommodates only two Capeship berths and its wharf is only 1850 feet. Lambert's wharf is only 68% of the length that Gateway Pacific Terminals claims it must have to ship the same 48 mtpa of coal. In addition GPT can accommodate even the larger VLBC ships than the more shallow (50 feet draft) Capeships at Lamberts Point, so GPT's shipping capability must be much larger than 48mtpa.

How much larger is the GPT wharf? Two Capeships, loading at Lamberts, need only 925 feet for each ship at the dock. At 3000 feet long, the Gateway Pacific Terminal could hold not just **2** but **3 smaller Capeships that can dock at Lamberts Point** at 925 feet for each Capeship. (Even The larger 250,000 dwt capeships that dock at GPT do not need much more length as they increase their capacity by increasing width or depth rather than length.) **Why is the wharf so overbuilt to ship 48/54 mtpa?**

There is another possibility for even a fourth ship berth at the 3000 foot GPT wharf. I have heard Mr. Craig Cole, who represents GPT, state that the Department of Ecology suggests that the whole wharf might be pulled to the south of its present linkage (the access trestle to shore linkage) to begin the wharf further south from the herring beds. Thus the majority of the wharf would move to the south of the linkage, creating a large very long wharf length on the east side of the wharf. This change could possibly accommodate a 4<sup>th</sup> capsize ship on the southern end of the wharf between the wharf and the shore. The graphic in GPT's planning document indicates a 50 foot depth but the tide information is not mentioned. At the right tide this could be deep enough to accommodate Lamberts Point Capeships with a 50 foot draft. The water here could be much deeper, in that the graphic showing water depth in the Planning Document does not indicate the depth at high tide.<sup>21</sup> The entire dock at Lamberts Point accommodates Capeships that have a 50 foot draft.<sup>22</sup> It seems that a Lambert Points Capeship would fit well into that 4<sup>th</sup> GPT berth especially around high tide.

#### **Lamberts Point only has only 2 shiploaders.**

Also, in order to load 48 mtpa of coal Lamberts Point needs only two shiploaders that can load **8000 tons per hour** each. GPT, on the other hand, claims they need 3 shiploaders and conveyors that can load much faster at 10,000 tons per hour<sup>23</sup>--- all to load the same 48 mtpa. Below is the quote from the GPT Planning Document. Of course one of those 10,000 tons per hour ship loader will remain idle most of the day, unless there is potash or coke to ship, which is not likely.

---

<sup>20</sup> Wikipedia listing of Lamberts Point [https://en.wikipedia.org/wiki/Lambert's\\_Point](https://en.wikipedia.org/wiki/Lambert's_Point)

<sup>21</sup> Pacific International Terminals, Project Information Document Figure 4-8 Wharf and Access Trestle, p4-25

<sup>22</sup> Lamberts Point Coal Facility, Norfolk, VA online website visited on Jan 16, 2013  
[http://www.nscorp.com/nscportal/nscorp/Customers/Coal/Transload/lamberts\\_point.html](http://www.nscorp.com/nscportal/nscorp/Customers/Coal/Transload/lamberts_point.html)

<sup>23</sup> Pacific International Terminals, Project Information Document p 4-53

“The wharf would support up to three shiploaders, belt conveyors in an enclosed elevated gallery leading to each of the shiploaders, berthing fenders, and a vessel-mooring system<sup>24</sup>”

### **GPT Quite Similar to Kooragang Coal Port in Australia Exporting 77 & 108 mtpa**

Another Coal shipping facility is located in Newcastle, Australia named Kooragang and in many ways is similar to GPT, except for export capacity which was at the time much larger at 77mtpa.<sup>25</sup> (It is now expanded even further to 108mtpa.) Kooragang, along with its sister port Carrington, just across the river in Newcastle, was the largest coal exporting port in the world in 2009, under the owners Port Waratah Coal Services Limited (PWCS.)<sup>26</sup>

According to the PWCS 2009 Annual Report, Kooragang, a most modern port, shipped 77 mtpa of coal using three shipping berths, 3 shiploaders and 3 rail receival stations of 6500 feet rail line--- all at the same or less specifications than planned for GPT at full build out in 2026, except the GPT plans to ship much less coal at 48/54 mtpa.<sup>27</sup>

(To explain the process, coal is lifted from the stockpiles by bucket wheels called reclaimers and is carried on a dedicated system of conveyors to the shiploaders, which then loads the ship.)

---

<sup>24</sup> Pacific International Terminals, Project Information Document p 4-22 online at <http://gatewaypacificterminal.com/wp-content/uploads/2011/09/GPT%20PID%20DOCUMENT.pdf>

<sup>25</sup> 2009 Port Waratah Coal Services Limited Annual Report, p2 online at Actual quote is 113 mtpa but sister port Carrington ships 25 mtpa leaving Kooragang at 88 mtpa. <http://www.pwcs.com.au/pages/design/links/uploaded/PortWaratahCoalServicesAnnualReport2009.pdf>

<sup>26</sup> 2009 Port Waratah Coal Services Limited Annual Report, p2

<sup>27</sup> Port of Newcastle website <http://www.newportcorp.com.au/site/index.cfm?display=111681>

## **KOORAGANG TERMINAL CAPACITY (77 MTPA) Compared with GPT**

### **Coal Receival.**

3 x 6,600 tph rail capacity-----GPT has 3 x 8500 rail capacity (**more capacity** and

Could be even more at 6 X 8500 tph, unclear)

### **Coal Stockpiles**

2 x 2.5 kilometers x 56 meters-----GPT **Patio Easily Expanded**

1 x 1.0 kilometers x 56 meters

3,500,000 tons capacity

3,000,000 tons working capacity-----GPT has 2,700,000 working capacity (**about the same capacity**)

5 x 6,000 tph stacking capacity

GPT 4 stackers no capacity mentioned (**less**

**capacity)**

### **Coal Loading**

3 x 8,000 tph reclaiming capacity----- GPT (**4 reclaiming capacity on East loop**)

(**more capacity**)

3 x 10,500 tph shiploading capacity-----GPT (**same capacity**)

### **Vessel Capacity (3 berths)\_-----GPT(same capacity)**

180,000 dwt max-----250,000 dwt (**larger Capeships**)

300 meters max length

50 meters max beam

40,000 dwt man capacity

Since that time Kooragang has gone through another expansion with the addition of a 4<sup>th</sup> shipping berth. **Kooragang can now export 108 mtpa**. Here are its specifications compared to GPT at build out to ship 48/54 mtpa in 2026.

## **KOORAGANG TERMINAL CAPACITY (108 MTPA)<sup>28</sup> COMPARED WITH GPT**

### **COAL RECEIVAL**

3 x 8,500 tph rail capacity-----GPT **(same capacity might be more, unclear)**

### **COAL STOCKPILES-----GPT EASY TO EXPAND PATIO**

4 x 2.5 kilometers x 56 meters 4,200,000 tons max capacity

2,700,000 tons working capacity-----GPT **(almost same)** 2,750,000 capacity but unstated as to working or max capacity in planning document

### **COAL STACKING**

6 x 8,500 tph stacking capacity-----GPT (less) 4 stackers **(less capacity)** speed not stated

### **COAL LOADING**

4 x 8,000 tph reclaiming capacity-----GPT (same) 4 claimers **(same capacity)** assume same speed.

3 x 10,500 tph shiploading capacity-----GPT 3 shiploaders **(same capacity)**

2.0 – 3.2 meters wide, 5.0 – 5.5 m/sec conveyor belts-----GPT **(increase)** 3 conveyor belts, unknown size

### **BERTHS**

Berth space for 4 vessels-----GPT --3 berths ,but possibly 4 berths **(possible same capacity)**

16.5 meters depth at berth

15.2 meters approach to channel

### **VESSEL CAPACITY**

210,000 dwt max-----GPT-**(higher capacity because deeper port— Can accommodate larger ships at 250,000 dwt.**

300 meters max length

50 meters max beam

70,000 dwt min capacity

Interestingly, Kooragang port expansions have been multiple, numerous and requested so quickly and often that the permitted expansions were not completed when another request for expansion was submitted. Recall the Millennium Bulk Terminals planned a similar tactic on the Columbia River.

<sup>28</sup> Port Waratah Coal Services website, on Jan.18 2013. See Kooragang <http://www.pwcs.com.au/pages/terminals/kooragang.php>

Just as in Whatcom County, the environmental community in Newcastle has protested these expansions and is in the process of protesting even today as Kooragang again plans even another expansion.<sup>29</sup> Recently, Kooragang has added a 4<sup>th</sup> shipping berth and a 4<sup>th</sup> rail receival station and will be capable of shipping an expanded 108 mtpa of coal.<sup>30</sup> However, as usual, PCWS has applied for another expansion with another terminal to produce 120 mtpa. (Many of the expansions required no change in footprint, but faster machines were installed.) This could very well be the hidden plan for GPT looking at its over-built infrastructure, so I am very concerned.

The Kooragang/Carrington coal shipping combination actually has more in common with our situation in other ways. Along with its sister port Carrington, Kooragang ships coal from the Hunter Valley where thirty mines provide coal of all types to Asia and Japan. Peabody Coal is one of the major coal sellers in the Hunter River Valley in Australia as well as in the Powder River Country so they are very familiar with Kooragang. In fact, Peabody Energy is the first official customer of GPT wanting to ship coal to Asia from the US.

The situation in Australia is similar to the coal transportation situation in the US where the Powder River mines primarily provide the coal to the ports in the Northwest and thus the Asian markets. In Australia they call this constant transportation of coal to the port, with the return of the empty trains to the mine, the “Hunter River Valley Coal Chain.”<sup>31</sup> Thus, for us we could call our coal route the “Powder River Coal Chain.”

---

<sup>29</sup> ABC News, Health Concerns remain despite Changes to T4, Posted Nov 28 2012, visited 1/16/2013 at <http://www.abc.net.au/news/2012-11-28/health-concerns-remain-despite-changes-to-t4/4395818>

<sup>30</sup> PWCS website, states 133 mtpa but Carrington port ships 25 mtpa leaving Kooragang at 108 mtpa. <http://www.pwcs.com.au/pages/about/index.php>

<sup>31</sup> In Wikipedia, Hunter Valley Coal Chain  
[https://en.wikipedia.org/wiki/Hunter\\_Valley\\_Coal\\_Chain](https://en.wikipedia.org/wiki/Hunter_Valley_Coal_Chain)

**In final comment I cannot let this moment pass without out making one important point perhaps the most important point of this comment.**

### **Goldman Sachs as a Prime Environmental Risk**

If Goldman Sachs was indeed a real live person, I doubt you would not even consider their application to build and operate this port due to the behavior, fines, admissions, controversies, and frauds surrounding this company. Yet, somehow, because they are a powerful company, their behavior is being excused as if it did not happen. There seems to be a strange disease about called Goldman Sachs Amnesia, and I object. It did happen, and it will happen, and their behavior is a direct link to what to expect in the operation of this port whether or not they are a controlling partner. Controlling partners are influenced, and sometimes greatly influenced by minority partners. Minority partners have their power especially with 49% ownership. Yet, Craig Cole asks us to imagine that they do not even exist. Goldman Sachs has a major ownership of Carrix and the GPT as they are one out of only two owners with 49% ownership of Carrix. They have great influence as they are the moneyed partner with worldwide connections and influence that extends even into both Republican and Democratic Whitehouses. You do not want to go against Goldman Sachs even if push may come to shove.

In modern times we now realize that building and managing industrial facilities is today a much more complex endeavor since environment impacts are now considered in projects. We analyze and design with great care and detail in order to preserve and protect. **Once all the reviews are completed however, it will matter little if the owner of the facility has a questionable history of public untruthfulness, an overwhelming zeal for profit taking and a grave disregard for honesty and forthrightness.**

Goldman Sachs is indeed a 49% owner of Carrix the parent company of SSA Marine as they themselves stated in a proposal to the Virginia Port Authority in 2009.<sup>32</sup> Locally, in Bellingham, Carrix likes to keep that fact hidden. In a local Bellingham Herald Newspaper online blog, written by John Stark, a reporter covering the proposed Port, Mr. Stark wrote that Goldman Sachs was a major investor in Carrix. He then received a voice mail from Craig Cole, the local representative of the proposed port, who complained to Mr. Stark.

---

<sup>32</sup> Phase One: Conceptual Proposal Under the Public-Private Transportation Act of 1995 Alternative Proposal for the Virginia Port Authority regarding its Existing Facilities and Capital Expenditure Needs July 2009, P 51.  
<http://www.portofvirginia.com/media/15050/carrix%20goldman%20vpa%20phase%201%20conceptual%20proposal%20-%20ssa.pdf>

“Cole said it was incorrect to describe Goldman Sachs as a “major investor” in Carrix Inc., SSA’s parent firm, Carrix and SSA continues to be controlled by the Smith family, whose forebears founded the company in Bellingham in the 1940s, Cole said.”

Reporter Stark went onto provide proof to Mr. Cole that Carrix themselves on their press release wrote that Goldman Sachs was a “significant investor.” (At that time Mr. Stark did not have information that Goldman Sachs was indeed not just an investor but the only partner and a major one at that at 49 %.)<sup>33</sup> However, Goldman Sachs is very much involved with GPT and in Carrix’s new projects, as is explained in the quote below taken from the same Carrix press release about their new partnership with Goldman.

**“Further, the Company (Carrix) has a significant number of important new projects in the pipeline, and we are excited about the prospect of getting them to the operational stage and expanding the company’s assets,” stated Steven Feldman, co-Head of the Goldman Sachs Infrastructure Investment Group”<sup>34</sup>**

And why is Mr. Cole so concerned that Goldman Sachs might “seem” to be a major investor and was careful to try and downplay and keep quiet the fact that Goldman Sachs’ large ownership percentage was large at 49%, as he undoubtedly knew? Because of the questionable activities of Goldman Sachs in the many financial transactions including its role in the financial debacle that nearly brought down not only the US economy, but the entire world economy. Carrix must know that Goldman Sachs’ irresponsible and fraudulent financial behavior is a serious problem when as part owner they are applying for permits for massive coal ports, vessel safety, and environmental responsibility that must come with GPT’s operation.

Incidentally only two years ago US government regulators fined Goldman Sachs \$550 million dollars on the subprime mortgage mess with the warning that, “half-truths and deception would not be tolerated.”<sup>35</sup> But I fear that it will be tolerated. The fine at \$550 million was very

<sup>33</sup> John Stark, Ralph Swartz, Politics Blog Bellingham Herald Newspaper, Feb. 14, 2011.  
<http://blogs.bellinghamherald.com/politics/politics/goldman-sachs-role-in-ssa-downplayed/#storylink=cpy>

<sup>34</sup> Carrix press release that Goldman Sachs was a significant investor. July 5, 2007  
<http://www.coaltrainfacts.org/docs/ssa-marine-goldman-sachs.pdf>

<sup>35</sup> Jill Treanor, “Goldman Sachs Handed Record \$550M Fine Over Abacus Transaction,” The Guardian Newspaper, London, July 16, 2010.  
<http://www.guardian.co.uk/business/2010/jul/16/goldman-sachs-record-abacus-fine>

close to the entire port cost \$665 million. Does this show just how much regard Goldman Sachs will have for our port, as the cost only equals a little fine they paid with the billions they make. The world of big business is clearly different world in which most Americans live and with money the goal one wonders just how much respect Goldman Sachs has for the natural world, or the small communities so far from the dizzying world of Wall Street, New York, London, Dubai, etc. etc. etc.

As we all have found out during the financial crisis Goldman Sachs is not the same company it used to be. Primarily Goldman Sachs is no longer the privately held company where its directors held strict control and had direct interests over the company's reputation as their fortunes were entirely embedded with the company.<sup>36</sup> Now, as a publicly traded company since 1999, its ownership is obtuse and diffused with managers much more concerned over their temporary salaries and commissions regardless of the overall effect to the firm, or Wall Street, or the world financial system. Most simply, it is called, "I got mine." With this new form of management also came the serious allegations of fraud or determinations, fines, the whole mess we know as Goldman Sachs. Whole books are written on these issues.

### **The Many Sins of Goldman Sachs are Well-known and Documented**

**A.**The McClatchy Company, a publishing firm composed of 30 newspapers in 15 states, and recent buyer of the Bellingham Herald, did a 5 month investigation of Goldman Sachs through their Washington DC branch. This synopsis was taken from their investigation,

"A five-month McClatchy investigation reveals how Wall Street colossus Goldman Sachs peddled billions of dollars in shaky securities tied to subprime mortgages on unsuspecting pension funds, insurance companies and other investors when it concluded that the housing bubble would burst." "In 2006 and 2007, Goldman Sachs Group peddled more than \$40 billion in securities backed by at least 200,000 risky home mortgages, but never told the buyers that it also was secretly betting that a sharp drop in U.S. housing prices would send the value of those

---

<sup>36</sup> Felix salmon, "Goldman Sachs' Reputation is Tarnished, Washington Post April 25, 2012.  
<http://www.washingtonpost.com/wp-dyn/content/article/2010/04/23/AR2010042303780.html>

securities plummeting. ...Only later did investors discover that what Goldman had promoted as triple-A rated investments were closer to junk.” There is much more to this report. You can find it at the link below.

<http://www.mcclatchydc.com/goldman/>

For a simple video glimpse by McClatchy and their reporter Greg Gordon, look at this one segment of their story in the link below. It is a video clip. You will hear two mortgage risk analysts, who were hired by Goldman Sachs to review thousands of files, complain that their objections to absurd loans to questionable applicants were ignored, and overridden. One such loan was to a Wal-Mart checker who, on the application, claimed she made \$5000 month. Goldman later sold these loans to unsuspecting buyers. The risk analysts wondered why they were even there. Honest homeowners in the area, Merino Valley, California lost many of their homes as their recently purchased houses lost substantial value. The link to the segment is below. It is called, “The low road to high finance.”

<https://www.youtube.com/watch?v=6X7trCdvdUw>

**I remind you that this is the company that we are trusting with our water, herring, fish, etc. And there is so much more wrong with Goldman Sachs.**

**B.** Matt Taibbi wrote a series of articles, (Rolling Stone July 9, 2009) that focused on Goldman Sachs and how they do business round the world. The sentence below sums it up. It is the first sentence to his well-regarded Rolling Stone series on Goldman Sachs.

“The first thing you need to know about Goldman Sachs is that it's everywhere. The world's most powerful investment bank is a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money. In fact, the history of the recent financial crisis, which doubles as a history of the rapid decline and fall of the suddenly swindled dry American empire, reads like a Who's Who of Goldman Sachs graduates.”

Below is the link to the article series. Rolling Stone Magazine

<http://www.rollingstone.com/politics/news/the-great-american-bubble-machine-20100405>

[Type text]

**C. Goldman Sachs helped Greece hide its debt as a member of the European Union.**

Beat Balzli, wrote an article, "Greek Debt Crisis: How Goldman Sachs Helped Greece to Mask its True Debt" Spiegel International, Hamburg, Germany, Feb. 10, 2010. (Spiegel is one of Europe's Largest Magazine with a readership of one million people.)

<http://www.spiegel.de/international/europe/greek-debt-crisis-how-goldman-sachs-helped-greece-to-mask-its-true-debt-a-676634.html>

**D.** Greg Smith had worked at Goldman Sachs for 12 years and resigned out of disgust with the company and on doing so wrote his final letter to Goldman. It was published in the New York Times editorial section as an OP-Ed piece. The fact that the Times published his letter for the entire world to see is a clue as to what Wall Street is beginning to think about Goldman Sachs. Mr. Smith was in upper level management as an executive director head of the firms US equity derivatives in Europe, the Middle East and Africa.

The letter to say the least was most blunt and revealed a company changed from earlier times and cautioned that the "...firm's moral fiber represents the single most serious threat to its long-run survival." He said of his work that, he has "... always taken a lot of pride in advising my clients to do what I believe is right for them, even if it means less money for the firm. This view is becoming increasingly unpopular at Goldman Sachs. Another sign that it was time to leave.... I attend derivatives sales meetings where not one single minute is spent asking questions about how we can help clients. It's purely about how we can make the most possible money off of them.... These days, the most common question I get from junior analysts about derivatives is, "How much money did we make off the client..... Goldman Sachs today has become too much about shortcuts and not enough about achievement... Today, if you make enough money for the firm (and are not currently an ax murderer) you will be promoted into a position of influence." **Note: If Goldman Sachs looks at their clients this way, what on earth I fear will they do to us?**

Greg Smith, "Why am I leaving Goldman Sachs," New York Times, March 14, 2012.

The link is below.

<http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?pagewanted=all& r=0>

[Type text]

**E.** There is much more. I ask you to go to Wikipedia under Goldman Sachs and read the Controversies section at the bottom of the page.

[https://en.wikipedia.org/wiki/Goldman\\_Sachs](https://en.wikipedia.org/wiki/Goldman_Sachs)

### **In Conclusion**

**After all this, I do think that this whole project needs an entire review as to the plans vrs the reality of the world markets for commodities. We are allowing them to build a monstrosity. The port should be constructed to the needs of the permit they are applying for. Frankly, I do not see how the harm of all this can be mitigated.**

**As for Goldman Sachs, I will remind you that they are not just any Partner in a firm, they are a sledge hammer in a corporate board room. I cannot imagine putting the ecological future of this county and its communities under the sickened purview of this firm.**

**Because of all this I encourage you to please look at this gigantic proposal to bring so much polluted open rail car coal in such massive quantities through our lands and homes in the entire Northwest and West. This needs to be look at and studied as a whole project.**

**IF there are big problems, oh you can fine them maybe, and they may pay, and it will be a hell for all, and the nature and communities that they ruin can never be repaid for their harm.**

**Good luck in your most difficult job and thank you for your patience. Please be wise.**